

Message Text

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60

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 L-03 PA-04 PRS-01 USIA-15 DRC-01 /166 W

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R 121746Z SEP 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4996

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS BONN 14502

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11641: N/A

TAGS: EFIN, GW

SUBJECT: LIQUIDITY CONSORTIUM BANK ESTABLISHMENT

L. THE BUNDESBANK, FOLLOWING THE MEETING OF THE CENTRAL BANK COUNCIL ON THURSDAY, SEPTEMBER 12, ANNOUNCED THE ESTABLISHMENT ON A LIQUIDITY CONSORTIUM BANK, GMBH. THE PURPOSE OF THE BANK WILL BE TO ASSIST THOSE OTHERWISE HEALTHY CREDIT INSTITUTIONS WHOSE LIQUIDITY DIFFICULTIES MIGHT ENDANGER THE CONFIDENCE AND TRUST IN THE GERMAN BANKING SYSTEM. IT WILL CONDUCT NO BUSINESS DIRECTLY WITH PRIVATE INDIVIDUALS OR NON-BANKING CONCERNS.

2. THE NEW BANK WILL HAVE DM 250 MILLION OF PAID IN

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CAPITAL AND WILL HAVE A CONTINGENCY RESERVE OF AN

ADDITIONAL DM 750 MILLION WHICH WOULD BE PAID BY THE PARTICIPATING INSTITUTIONS WHEN CALLED UPON. THE BUNDESBANK AND PRIVATE BANKS WILL CONTRIBUTE 30 PERCENT EACH, THE SAVINGS BANKS 26-5 PERCENT, THE COOPERATIVE BANKS 1 PERCENT, THE TRADE UNION CONTROLLED BANK FUER GEMEINWIRTSCHAFT 1.5 PERCENT, AND INSTALLMENT CREDIT BANKS 1 PERCENT.

3. OPERATIONS OF THE LIQUIDITY CONSORTIUM BANK WILL APPARENTLY BE RUN BY THE AKA (AUSFUHRKREDOT AKTIENGESELLSCHAFT) WHICH WAS ITSELF ESTABLISHED BY A CONSORTIUM OF BANKS IN 1952 AND SPECIALIZES IN MEDIUM AND LONG TERM EXPORT FINANCING. LIQUIDITY ASSISTANCE BY THE NEW BANK WILL BE CONTROLLED BY A FOUR MEMBER CREDIT COMMITTEE. HILLENBRAND

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Message Attributes

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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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EO Systematic Review
30 JUN 2005

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TAGS: EFIN, GE, BUNDESBANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005